Computers let shoppers spin cocoons

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Abstract:
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- In the Chicago area, computer-savvy households are reaching out by modem to buy their groceries through a service called ⓘPeapod that links home computers with the mainframe computer at Jewel Food Stores headquarters, letting customers shop for their groceries on-line.

- Operating out of White Plains, N.Y., the popular home-oriented computer service ⓘProdigy allows the stay-at-home set to shop for everything from ⓘLands' End clothing to postage stamps via personal computers. Subscribers pay for the stuff by typing in a credit card number and take delivery by Federal Express or ⓘUnited Parcel Service. Thanks to the computer revolution, you can have your postage stamps delivered by Fed Ex.

Full Text:
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Growing millions of Americans are using personal computers to transform their dwellings into cozy stay-at-home cocoons, using software instead of subways, modems instead of motor cars to move through the daily grind.

Everything from groceries to the refrigerator in which to store them can be ordered by home computer and delivered to the doorstep. From videotapes to valentines, stocks to socks, virtually everything you can buy elsewhere in America is available on-line.

For example:

- In the Chicago area, computer-savvy households are reaching out by modem to buy their groceries through a service called ⓘPeapod that links home computers with the mainframe computer at Jewel Food Stores headquarters, letting customers shop for their groceries on-line.

- A company called ⓘCheckfree, based in Columbus, Ohio, says it has linked personal computers in more than a million households with its mainframe computers, allowing customers to pay the monthly bills electronically without venturing out the door.

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Parcel Service. Thanks to the computer revolution, you can have your postage stamps delivered by Fed Ex.

- Reston, Va.-based ⓘAmerica Online has put a service called CompuStore on-line that lets computer owners order everything from major appliances to paperback novels and take delivery at their doorstep under the same sort of credit-card/delivery-service plan.

- In suburban Winfield, a company called Laran Communications Inc. is using links among home computer owners to sell magazine subscriptions at rock-bottom rates because there is no need for expensive direct-mail advertising campaigns, such as the famous American Family Publishers sweepstakes featuring entertainer Ed McMahon.

"With us nobody has to go anywhere, and that includes Ed McMahon," joked Laran's president, Lawrence Spiegel.

The most ready example of how the computer-cocooning phenomenon is taking shape and how it may grow is ⓘPeapod Inc., an Evanston-based company.

The company's ambitious young co-founders, brothers Thomas and Andrew Parkinson, boast that they and their 100 part- and full-time employees have created something close to the ultimate in stay-at-home convenience for 2,500 pioneer subscribers from Wheeling to Wilmette, Wrigleyville to Winnetka. (The service is currently available only in parts of the North Side and certain northern and northwestern suburbs.)

Subscribers use software that ⓘPeapod sells to link up with the mainframe computers that Jewel uses to maintain its inventory, set its prices and operate the cash registers at the checkout stands.

With price and availability at hand for the 15,000 items at the chain's grocery stores, ⓘPeapod customers make their selections and beam them to the store, where teams of "pickers" do the shopping itself and then deliver the groceries to the subscribers' homes.

"If you call your company ⓘPeapod, you've got to call the shopping staff pickers," joked Tom Parkinson.

The idea of using a lightning-fast computer setup to make quick work of picking a household's groceries via modem has caught on to the extent that ⓘPeapod last month expanded to open its second venture, in California's computer literate Bay Area.

ⓘPeapod thus joins the ranks of a growing national industry dedicated to making it ever easier for Americans to stay at home and do their daily business.

And like many shop-at-home operations, including ⓘProdigy, ⓘAmerica Online and ⓘCompuServe, ⓘPeapod uses ⓘCheckfree's computer service to collect its bills. Customers send ⓘCheckfree one of their checks and authorize the company to electronically deduct the amount required from their checking account.

ⓘCheckfree also lets home computer owners use its electronic fund transfer capabilities to pay their monthly bills via modem, a service the company says is being used by more than 1 million households.

ⓘCheckfree can be accessed through the on-line services or with ⓘCheckfree's own software, which lists for $29.95. The service costs $9.95 a month, which includes the first 20 bills paid, and then $3.50 for the next 10 bills.

Michael Sapienza, chief of marketing at ⓘCheckfree, said, "Our business is expanding very rapidly, and we have plans in the very near future to offer a service that will allow you to do everything that you do at your bank's ATM machine on your home computer."

Details, like how the company plans to deliver cash to home "ATM" customers, will be announced in about two months, Sapienza said.

Meanwhile, in many cities, Chicago included, ⑦Prodigy has made arrangements with at least one local bank to let subscribers do all their transactions and pay all their bills on-line. In Chicago, ⑦Prodigy links with Comerica Bank-Illinois.

"You can even order home delivery of postage stamps from ⑦Prodigy," said Steve Hein, ⑦Prodigy's spokesman. "That means you don't have to stand in line at the post office. Buying stamps has been very popular with our customers."

Hein said ⑦Prodigy subscribers can buy most of the ⑦Lands' End line of clothes as well as merchandise from the J.C. **Penney Catalog on-line** and then have the merchandise delivered to their homes by ⑦United Parcel Service and other carriers.

Another popular ⑦Prodigy offering lets subscribers set up on-line brokerage accounts and then buy stocks without visiting or telephoning a stockbroker. "This service has proven so popular that last year ⑦Prodigy subscribers traded $1.5 billion worth of stock on-line," said Hein. Other on-line services also have be-your-own-broker features.

And computer industry seers see even more modem-motivated cocooning trends ahead, developments that bode well for ⑦Peapod, ⑦Prodigy and other home-shopping schemes.

Dataquest, the San Jose, Calif., computer industry research company, predicted in a recent study that 24 percent of all American households will have a modem-equipped computer by 1995. Currently 13 percent of homes have the setups, up from 8 percent in 1990, Dataquest noted.

⑦Spiegel, of Laran Communications, cited those Dataquest figures to explain why he has invested in a plan to link the publishers of more than 800 periodicals and other magazines with operators of private computer bulletin board services, commonly called BBSs.

⑦Spiegel's company provides a magazine catalog that the small BBSs make available as a home-shopping service to the people who go on-line with them just as ⑦Prodigy makes ⑦Checkfree and Home Banking available to its customers.

Tom Parkinson explained in an interview that ⑦Peapod amounts to taking the same computer marketing strategies that are working on a national level for bigtime operators like ⑦Prodigy and bringing them to the local level.

The technology that makes ⑦Peapod possible involves linking Jewel's mainframe computers at the chain's Melrose Park headquarters to a minicomputer owned by ⑦Peapod in Evanston.

Because customers with their ⑦IBM-compatible personal computers are hooking into the extremely fast minicomputer, the process of moving from screen to screen is fast, though there are noticeable slowdowns at peak times, including Thursday and Sunday evenings. Macintosh service will be available by summer, Parkinson said.

Once on-line with ⑦Peapod you can start with a shop-the-aisles menu that lists general categories such as dairy foods, beverages, produce, canned goods, etc.

When you move to an item and press the "enter" key, you get a menu that lists each item on the shelf. For example, if you went to the shelf with canned corn, the menu would list every brand at Jewel complete with its price and its unit cost.

Items on sale are marked with a red asterisk, and users can sort the selection by unit cost to get the best price.

⑦Peapod also offers searching, in which you type in a generic name, such as potato chips, or a specific brand, such as Jay's potato chips, and you are taken to that shelf.

It is possible to add comments to each item telling pickers to do things like buy only hard onions or make sure the

expiration date on the milk is at least two weeks in the future.

Signing up at ⑦Peapod costs $70, which covers the cost of the software and 3 months of service. Parkinson said the company will refund the $70 if customers say they are dissatisfied and don't want the service. Those who stay pay a monthly subscription fee and delivery fees for each order that altogether add roughly $10 to $12 to the cost of every $100 grocery order. Delivery is within two days, with faster service available for a fee.

Parkinson said the company is betting that customers will be willing to tack perhaps another $500 per year on their grocery costs in exchange for the convenience it brings.

CAPTION:

GRAPHIC (color): Paying bills by computer Source: News reports. Chicago Tribune. See microfilm for complete graphic.

CAPTION:

PHOTO (color): ⑦Peapod's Derrick Milligan shows it's **on-line** grocery-**shopping** service. Tribune photo by Nancee E. Lewis.

[Illustration]
PHOTO GRAPHIC